GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MINES & MINERALS - Andhra Pradesh Minor Mineral Policy 2025 - Orders - Issued.

INDUSTRIES & COMMERCE (M.II) DEPARTMENT

G.O.Ms.No.57 Dated: 18.04.2025

Read the following:

1. G.O.Ms.No.11, Ind. & Com. (M.III) Dept., dated:11.02.2020.
2. G.O.Ms.No.21, Ind. & Com. (M.III) Dept., dated :25.03.2021.
3. G.O.Ms.No.65, Ind. & Com. (M.III) Dept. dated:04.08.2021.
4. G.O.Ms.No.71, Ind. & Com. (M.III) Dept. dated:22.10.2021.
5. G.O.Ms.No.8, Ind. & Com. (M.III) Dept. dated:16.02.2022.
6. G.O.Ms.No.13, Ind. & Com. (M.III) Dept. dated:14.03.2022.
7. G.O.Ms.No.14, Ind. & Com. (M.III) Dept. dated:14.03.2022.
8. G.O.Ms.No.25, Ind. & Com. (M.III) Dept. dated:06.04.2023.
9. From the Commissioner & Director of Mines & Geology, AP, single e-file bearing Comp No.2711508, dt.18.03.2025.

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ORDER:

In the reference 1st read above, Government have issued orders revising the rates of Seigniorage Fee payable by all the minor mineral lease holders in the State. Vide reference 2nd cited, orders were issued to levy consideration amount on minor mineral leaseholders, in addition to Seigniorage Fee, DMF & MERIT, @ 50% of Seigniorage Fee for Granite and one time of Seigniorage Fee for all Minor Minerals except Granite

2. Government vide references 3rd to 8th read above have issued orders introducing various amendments to the APMMC Rules, including the introduction of premium amount for grant of leases, making all applications filed for grant of leases ineligible, introduction of auction system for grant of leases in Government lands, enhancement of Security Deposits, and prescription of payment of 10 times of Annual Dead Rent for grant of renewals

3. In the reference e-file 9th read above, the Commissioner & Director of Mines & Geology, AP submitted that the mining sector plays a significant role in supporting the State's economy and livelihoods. He informed that various stakeholders have submitted representations during consultations, highlighting the need for facilitative measures to promote sectoral growth and enhance ease of doing business. These include rationalization of upfront premium amounts, one-time opportunity for applications filed before the auction regime, revisiting the consideration amount, and a streamlined framework for renewals.

4. In this context, and in line with the recommendations of the Ministry of Mines, Government of India, as well as inputs from benchmarking of the policies of various other States, the Commissioner & Director of Mines & Geology has proposed a comprehensive and forward-looking Andhra Pradesh Minor Mineral Policy 2025. The proposed policy aims to foster responsible mining, attract investments, ensure sustainable practices, and further position the sector as a key

contributor to economic growth and employment generation in the State.

5. After careful examination of the proposal submitted by the Commissioner & Director of Mines & Geology, AP vide reference 9th read above, Government hereby introduce the Andhra Pradesh Minor Mineral Policy 2025 and order to introduce the changes to exiting rules and regulations accordingly. The Policy Document under Annexure is appended to this order.

6. The Commissioner & Director of Mines & Geology, AP., shall submit proposals for necessary amendments to Andhra Pradesh Minor Mineral Concession Rules, 1966, Andhra Pradesh Minor Mineral Auction Rules 2022 and any other orders required in this regard at the earliest to take necessary further action accordingly in the matter.

7. This order issued with the concurrence of the Finance Department vide U.O.No. FIN01-FMU0ASD(IC)/6/2025 (Computer No. 2791215 ), dt.14.04.2025

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PRAVIN KUMAR
SECRETARY TO GOVERNMENT (MINES)

To
The Commissioner & Director of Mines & Geology, Ibrahimpatnam, NTR District.
Copy to:
The Finance (FMU, I&C, I&I & Energy) Department.
The Law Department.
The PS to Spl. CS to CM.
The OSD to Minister(M&G).
The PS to Secy. to Govt.(M).
SF/SCs.

// FORWARDED : : BY ORDER //

SECTION OFFICER

# ANNEXURE

## (Annexure to G.O.Ms.No.57, Industries and Commerce (Mines-II) Department, Dt:18.04.2025.)

Andhra Pradesh Minor Mineral Policy 2025, an initiative aimed at promoting sustainable, responsible, and transparent mineral development in our State. Andhra Pradesh's abundant mineral resources hold tremendous potential to contribute to the State's economic prosperity, and this policy aims to unlock that potential while prioritizing environmental preservation and community welfare. This policy emphasizes maximizing the economic benefits of our mineral wealth, attracting investments, and creating employment opportunities. At the same time, it underscores sustainable mining practices, with a strong focus on environmental conservation, effective waste management, and equitable benefit-sharing with communities impacted by mining activities.

The Andhra Pradesh Minor Mineral Policy 2025 also integrates advanced technologies to improve exploration, resource management, and mineral governance. By streamlining regulatory processes and fostering an investor-friendly environment, the policy will enhance transparency, build investor confidence, and drive industrial growth.

As part of the Swarna Andhra 2047 initiative, which aligns with the broader national vision of Viksit Bharat 2047, this policy will play a vital role in transforming Andhra Pradesh into a $2.4 trillion economy by 2047. Together, we are setting the foundation for a dynamic, sustainable, resilient, and prosperous Andhra Pradesh, realizing our vision of a 'Swarna Andhra' and 'Viksit Bharat' by 2047.

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# 1. Preamble

Mineral resources play a crucial role in economic growth, serving as key indicators of industrial development. As finite and non-renewable resources, their exploration and exploitation require careful planning aligned with long-term national and state objectives. Policies must focus on sustainable utilization, environmental protection, mine safety, and mineral conservation while ensuring optimal use, minimal waste, and maximum revenue generation through value addition. The National Mineral Policy guides development priorities, with major minerals regulated by the Central Government and minor minerals managed by States under respective rules, such as the Andhra Pradesh Minor Mineral Rules, 1966, framed under the Mines and Minerals (Regulation and Development) Act, 1957.

## 2. Background

The mining sector plays a crucial role in the state's Gross Domestic Product (GDP) and provides employment, thereby supporting local communities. To make the sector self-sufficient, investment-friendly, and a major employment contributor, a new minor minerals policy is essential. The Gross Value Added (GVA) from the mining sector in 2024-25 is estimated at ₹38,000 crore, of which more than 50-55% is from minor minerals

Further the various minor mineral associations in the state have submitted representations requesting relief measures, including ease of burden of upfront premium amounts and security deposits, providing a one-time opportunity for applications filed before the introduction of auction system, revocation of consideration amount, reducing the premium amount for grant of renewals to enhance the sectoral activity and facilitate growth in the sector.

Additionally, the policies of various other states have been studied and benchmarked by a committee, which analyzed the best practices in auction procedures, lease renewals, financial obligations, and regulatory streamlining to identify policy measures that can enhance mineral production and investment in Andhra Pradesh.

## 3. Need for the Policy

In the evolving economic and industrial context, it has become increasingly important to reposition the mining sector as a cornerstone of sustainable and inclusive development in the State of Andhra Pradesh. The mining sector not only contributes significantly to the State's Gross State Domestic Product (GSDP) but also serves as a critical enabler of employment, entrepreneurship, and value addition across multiple sectors. It supports a wide spectrum of capital works, infrastructure development, and industrial activities, thereby reinforcing its importance as one of the foundational pillars for achieving the vision of Swarna Andhra 2047.

With the expansion of urban and rural infrastructure, including housing, roads, irrigation projects, and public buildings, the demand for minor minerals and other industrial minerals has seen a steady and continuous rise. In this backdrop, it is imperative to promote sustainable and scientific mineral development through enhanced exploration, increased participation from private sector players, and a greater number of mineral leases granted through transparent processes. This would not only ensure efficient resource utilization but also rejuvenate the sector and unlock its full economic potential.

Recognizing the importance of critical and strategic minerals for the future, especially in light of technological advancements and national self-reliance goals, availability of critical minerals in minor

mineral-bearing areas shall be further studied and harnessed to support key sectors such as renewable energy, electric mobility, electronics, and advanced manufacturing. Encouraging such exploration and identifying minor mineral blocks with potential critical mineral presence is aligned with both national and State priorities.

The proposed Minor Mineral Policy 2025 is, therefore, envisaged as a reform-oriented, investment-friendly, and employment-generating framework that aligns with the aspirations of the people and the developmental goals of the State. The policy aims to ensure scientific mining, environmental sustainability, transparency in governance, and ease of doing business. It is a crucial step towards revitalizing the sector and contributing meaningfully to the long-term vision of Swarna Andhra 2047, where Andhra Pradesh emerges as a leading State in responsible mineral resource management and economic prosperity.

## 4. Objectives of the Policy

i. To infuse efficiency in grant of mineral concessions.

ii. To encourage investors (present and potential) into the sector by creating a favorable & transparent environment.

iii. To boost employment opportunities and to curb illegal mining effectively in lines with "Swarna Andhra Vision 2047"

iv. To simplify compliance processes and enhance ease of doing business by leveraging digital platforms.

v. To preserve geological data and promote transparency for informed decision making in exploration and mining.

vi. To strengthen inter departmental co-ordination for effective regulation and monitoring.

vii. To Leverage technology for real time monitoring and effective enforcement.

viii. To encourage sustainable mining practices with due regard to environmental conservation.

ix. To ensure a safe working environment and reduce health risks for mine workers

x. To resolve pending litigations and legacy cases.

# 5. Policy Features

## 5.1 Disposal of Pending Applications:

i. All pending applications as on 13.03.2022 shall be considered for grant of lease, provided that the area is free for grant as on the date of issue of government orders and the applicant pays 1 time of Annual Dead Rent (ADR) as a security deposit within 3 months.

ii. The applicant shall pay the security deposit only after verifying the title, nature and classification of land and ensuring that the area is free from encumbrances, based on relevant revenue records.

iii. The security deposit shall not be refundable under any circumstances and will be adjusted towards premium amount payable.

iv. Applicants must pay 3 times of ADR for issue of Letter of Intent (LOI) and 2 times of ADR for issue of Grant of Quarry Lease as premium amount.

v. Additionally, the leases shall pay 10% of the Seigniorage Fee as an additional amount during dispatch.

vi. These applications are only eligible for issue of LOI for a period of 1 year from the date of issue of Government orders.

vii. The applications where the LOIs are not issued within the stipulated period shall be treated as ineligible and shall be

disposed of in accordance with the prevailing policy at that time.

viii. For Limestone Slabs, 3 times of Annual Dead Rent shall be charged as premium amount instead of 5 times of premium amount, which shall be paid in two equal instalments. Further the payment of additional amount of 10% of Seigniorage Fee is not required.

## 5.2 Grant of Mineral Concessions in Govt Lands

### 5.2.1 Grant of Leases for Granite, Marble and Building Materials in Govt Lands – Application System through FCFS Mode

a. Quarry Leases for Building Materials ***(Building Stone, Chalcedony Pebbles, Dimensional Stone used for Cubes & Kerbs, Limeshell, Limestone Slabs, M-Sand, Morrum/ Gravel & Ordinary earth, Mosaic Chips, Rahmati, Road Metal & Ballast, Rough stone/ Boulders, Shingle***), Granite and Marble shall be granted on application system by employing First Come First Serve principle.

b. The Government reserves the right to prescribe and issue any order of preference or prioritization criteria for considering applications for grant of lease, as deemed appropriate.

c. The first applicant / preferred applicant must pay five times of ADR as premium amount in two installments, i.e.,

3 times of ADR within 30 days from the date of communication from the concerned authority for issue of LOI and 2 times of ADR along with submission of AMP, EC and CTE for issue of Grant.

d. Applicants must pay 10% of the Seigniorage Fee as an additional amount on dispatches.

e. If the first applicant fails to pay, the next applicant shall be considered. All applications shall be disposed of in a time-bound manner.

f. For Limestone Slabs, 3 times of Annual Dead Rent shall be charged as premium amount instead of 5 times of premium amount, which shall be paid in two equal instalments. Further the payment of additional amount of 10% of Seigniorage Fee is not required.

### 5.2.2 Grant of Leases for Industrial Minerals in Govt Lands – Auction Mode

a. Industrial Minerals are as follows:

***"1. Agate, 2. Ball Clay, 3. Calcareous Sand, 4. Calcite, 5. Chalk, 6. China Clay, 7. Clay (Others), 8. Corundum, 9. Diaspore, 10. Dolomite, 11. Dunite/ Pyroxenite, 12. Felsite, 13. Fireclay, 14. Fuschite Quartzite, 15. Gypsum, 16. Jasper, 17. Kaolin, 18. Laterite, 19. Limekankar, 20. Ochre, 21. Pyrophilite, 22. Quartzite, 23. Sand (Others), 24. Shale, 25.***

***Silica Sand, 26. Slate, 27. Steatite or Talc or Soap Stone"***

b. Leases shall be granted through e-auction.

c. The auction parameter shall be the percentage of Seigniorage Fee offered by the bidder as auction premium over and above the reserve price fixed by DMG.

d. The successful bidder must pay 5 times of ADR as an upfront amount in two instalments, i.e, 3 times of ADR within 15 days from the announcement of successful bidder for issue of LOI and 2 times of ADR along with submission of AMP, EC and CTE for issue of Grant, which shall be adjusted against future auction premiums.

e. The successful bidder must pay % of the Seigniorage Fee discovered in the auction as auction premium on dispatches.

## 5.3 Grant of Leases in Patta Lands and Forest Lands

i. The premium amount in case of Patta lands and Forest Lands shall be five times of ADR on par with Government lands through FCFS.

ii. The premium amount shall be payable in two installments, i.e., 3 times of ADR within 30 days from the date of communication from the concerned authority for issue of LOI and 2 times of ADR along with submission of AMP, EC and CTE for issue of Grant.

iii. Applicants must pay 10% of the Seigniorage Fee as an additional charge on mineral dispatches.

iv. For Limestone Slabs, 3 times of Annual Dead Rent shall be charged as premium amount instead of 5 times of premium amount, which shall be paid in two equal instalments. Further the payment of additional amount of 10% of Seigniorage Fee is not required.

v. The provisions of grant of minor concessions in Patta Lands shall also be applicable to DKT lands.

## 5.4 Lease Periods

i. **Granite, Marble and Industrial Minerals:** 30 years

ii. **Road Metal:** 30 years (Captive), 15 years (non-captive)

iii. **Other Minor Minerals:** 10 years

## 5.5 Renewals:

i. Renewals shall be granted upon payment of 5 times of ADR as premium, in two installments, i.e., 3 times of ADR along with renewal application and 2 times of ADR for issue of Grant

ii. All pending renewal applications, which have not been rejected by the authorities as on date, shall be given a period of six months to pay the first installment (3 times of ADR). Upon payment, the renewal application shall be considered.

iii. For the lease areas that expired in the last three years and where renewal applications were not filed, the leaseholders shall be given an opportunity of six months to file the renewal application, provided the area is free for grant on the date of issue of Government Orders, along with payment of the first instalment, which is equivalent to 3 times of ADR.

iv. Applicants must pay 10% of the Seigniorage Fee as an additional charge on mineral dispatches.

v. For Limestone Slabs, 3 times of ADR shall be charged as premium amount instead of 5 times of premium amount, which shall be paid in two equal instalments. Further the payment of additional amount of 10% of Seigniorage Fee is not required.

vi. The areas in which applicants failed to deposit the premium within the stipulated timeline shall be disposed of in accordance with the prevailing policy at that time.

## 5.6 Renewal Lease Periods:

i. Granite, Marble & Industrial Minerals – 20 years, Road Metal – 15 Years (captive), 10 Years (non-captive), and Other Minor Minerals – 10 years.

ii. All renewals which were granted earlier on payment of ten times of Annual Dead Rent shall be aligned to the new renewal periods.

## 5.7 Revision of Dead Rents:

The dead rent is revised on 11.02.2020 and is due for revision since 10.02.2023. Accordingly, the proposed revision is as follows:

| S. No. | Mineral | Dead Rent (Rs/ Ha/ Annum) |
|---|---|---|
| 1 | Black Galaxy Granite and Black Granite | 1,80,000 |
| 2 | Color Granite (Srikakulam Blue, Moon White, River White of Visakhapatnam Dist., Leptinites of Coastal Dists, Black Pearl of Prakasam & Guntur Dist, Silver Waves, Madanapalli White and Iscon White) | 1,50,000 |
| 3 | Color Granite (Others) | 1,30,000 |
| 4 | Limestone other than classified as major minerals used for lime burning for Building construction purposes, marble, boulders, building stone including stone used for Road Metal, Ballast, Manufactured sand, concrete & other construction purpose, Shale, Slate &Phyllites, Mosaic Chips, Fullers Earth/Bentonite & Dimensional Stone used for Cubes and Kerbs | 80,000 |
| 5 | Gravel, Morrum, Ordinary Earth, Shingle, Limestone Slabs used for flooring purpose, Limekankar, Chalcadeny Pebbles used in the building purpose, limeshell for burning used for building purposes, and | 65,000 |

| S. No. | Mineral | Dead Rent (Rs/ Ha/ Annum) |
|---|---|---|
| | Rehmati | |
| 6 | All minor minerals which are not covered under Sl. No. 1 to 5 above | 30,000 |

## 5.8 Revision of Seigniorage Fee

i. Consideration Amount is revoked for all Minor Minerals.

ii. Seigniorage Fee (in Rs.) is revised as follows:

**A. Granite**

| ***S.No*** | ***Item*** | ***Unit*** | ***Above Gangsaw/ > 270 cm x 150 cm size*** | ***Below Gangsaw/ 270 cm x 150 cm & below size*** |
|---|---|---|---|---|
| *i* | *Black Galaxy Granite* | *MT* | *1830* | *1530* |
| *ii* | *Black Granite other than Black Galaxy* | *MT* | *1520* | *1300* |
| *iii* | *Color Granite (Srikakulam Blue, Moon White, River White of Visakhapatnam Dist., Leptinites of Coastal Dists, Black Pearl of Prakasam & Guntur Dist)* | *MT* | *1660* | *1410* |
| *iv* | *Color Granite (Silver Waves, Madanapalli White, & Iscon* | *MT* | *1360* | *1200* |

| | | | | |
|---|---|---|---|---|
| | *White)* | | | |
| *v* | *Color Granite (Others)* | *MT* | *940* | *720* |

### B. Others:

| S.No | Name of Minor Mineral | Units | Proposed |
|---|---|---|---|
| 1 | Agate | MT | 180 |
| 2 | Ball Clay | MT | 130 |
| 3 | Building Stone | MT | 105 |
| 4 | Calcareous Sand | MT | 115 |
| 5 | Calcite | MT | 160 |
| 6 | Chalcedony Pebbles | MT | 105 |
| 7 | Chalk | MT | 120 |
| 8 | China Clay | MT | 105 |
| 9 | Clay (Others) | MT | 105 |
| 10 | Corundum | MT | 150 |
| 11 | Diaspore | MT | 520 |
| 12 | Dimensional Stone used for Cubes & Kerbs | MT | 170 |
| 13 | Dolomite | MT | 115 |
| 14 | Dunite/ Pyroxenite | MT | 75 |
| 15 | Felsite | MT | 160 |
| 16 | Fireclay | MT | 105 |
| 17 | Fullers Earth/ Bentonite | MT | 225 |
| 18 | Fuschite Quartzite | MT | 160 |
| **19** | **Laterite** | | |
| *i* | *Dispatched for use in Alumina & Aluminium metal extraction* | *MT* | *350* |
| *ii* | *For use other than Alumina & Aluminum metal extraction & export* | *MT* | *175* |
| 20 | Limekankar/ Limestone | MT | 160 |
| 21 | Lime shell | MT | 210 |
| **22** | ***Limestone (Slabs)*** | | |

| S.No | Name of Minor Mineral | Units | Proposed |
|---|---|---|---|
| *i* | *Color* | *Sq. Mtr/ MT* | *12/150* |
| *ii* | *White* | *Sq. Mtr/ MT* | *12/150* |
| *iii* | *Black* | *Sq. Mtr/ MT* | *8/140* |
| 23 | M-Sand | MT | 75 |
| 24 | Marble | MT | 150 |
| 25 | Morrum/ Gravel & Ordinary Earth | MT | 55 |
| 26 | Mosaic Chips | MT | 160 |
| 27 | Ochre | MT | 105 |
| 28 | Ordinary Clay, Silt and Brick Earth used in Manufacture of Bricks including Tiles | Per Kiln per annum | 10,000 |
| 29 | Ordinary Sand | MT | 0 |
| 30 | Pyrophyllite | MT | 250 |
| 31 | Quartzite | MT | 160 |
| 32 | Rehmati | MT | 45 |
| 33 | Road Metal & Ballast | MT | 105 |
| 34 | Rough Stone/ Boulders | MT | 105 |
| 35 | Sand (Others) | MT | 175 |
| 36 | Shale | MT | 180 |
| 37 | Shingle | MT | 105 |
| 38 | Silica Sand | MT | 260 |
| 39 | Slate | MT | 175 |
| 40 | Steatite/ Soap Stone | MT | 660 |

## C. Seigniorage Fee payable under Slab System:

| S. No. | Type of Blade | Proposed S. Fee per month per blade |
|---|---|---|
| **Erstwhile Prakasam District** | | |
| a | Single Blade | 35,000 |
| b | Multi Blade | 70,000 |
| **Other than Erstwhile Prakasam District** | | |

| | | |
|---|---|---|
| a | Single Blade | 28,000 |
| b | Multi Blade | 56,000 |

## 5.9 Seigniorage Fee Collection Contract:

### 5.9.1 Fixation of Reserve Price

a. Erstwhile District to be considered as unit.

b. The average revenue collections of the last five financial years excluding dead rent shall be considered for determination of the base price.

c. If revenue collections in any specific financial year was negatively impacted temporarily, such year may be excluded from the base price estimation.

d. For districts where contractors are already in place, actual revenue collections during the contract period or the knocked down amount, whichever is higher shall be taken as base price.

e. The base price shall be escalated by 10% annually to arrive at the reserve price for a contract period of 2 years.

f. The contract amount shall be exclusive of applicable GST.

g. Government reserves the right to revise the reserve price, in case of lack of participation, with reasons to be recorded in writing.

### 5.9.2 Eligibility Criteria

a. The eligibility criteria for participating in the contracts to be fixed by Mines Department in consultation with Finance Department.

### 5.9.3 Payment Terms

a. The contract amount shall be paid in 24 equal monthly instalments.
b. In case the contractor collects revenue beyond the knocked down amount, applicable contribution towards DMF and MERIT shall be remitted by the contractor to Government retaining the Seigniorage Fee.
c. The Contract amount and monthly instalments may be revised proportionately, if seigniorage fee rates are revised during the contract implementation period.

### 5.9.4 Operations

a. Contractor shall issue permits and collect Seigniorage Fees through online portal specified by DMG
b. DMG shall implement e-pass portal for Government works to ensure scientific estimation and enable necessary adjustments to the contractor's account.
c. The contractor shall be solely responsible for collecting and remitting applicable GST as per prevailing GST Act and rules.

### 5.9.5 Scope Exclusion

a. Works/ Projects, where payment of Seigniorage Fee was exempted by the Government.

b. CRDA (Capital Region Development Authority) works.

**5.9.6** Government reserves the right to review the policy based on the performance of the contracts and take an appropriate decision

## 5.10 One-Time Settlement for Appeals and Revisions:

i. One-Time Settlement (OTS) is proposed for Quarries/ MDL Holders with pending revision/ appeal cases, demand notices or show cause notices issued for the estimated quantities, as on the date of issue of Government orders.

ii. Where the original penalty is 10 x Normal Seigniorage Fee, OTS fee shall be 1 (Seigniorage Fee + Consideration Amount + DMF + MERIT) + 2 x Normal Seigniorage Fee as penalty.

iii. Where the original penalty is 5 x Normal Seigniorage Fee, OTS fee shall be 1 (Seigniorage Fee + Consideration Amount + DMF + MERIT) + 1 x Normal Seigniorage Fee as penalty.

iv. On payment of 25% of the total OTS Fee, the lessee ID / MDL ID will be unblocked permitting continuation of quarry operations. Remaining 75% of the OTS Fee shall be paid in 10 monthly instalments.

v. Those who failed to pay the instalments within the stipulated timeline, levy of interest shall be applicable.

vi. The scheme is valid for 1 year from the date of issue of Government orders.

vii. The scheme shall be extended to the cases, on approval of the application by the competent authority.

viii. Once the OTS scheme period is expired, a special drive shall be conducted against the defaulters who have failed to avail the opportunity under the APMMC Rules and Revenue Recovery Act.

## 5.11 Drone Surveys

**i.** Leaseholders must conduct drone surveys periodically, as prescribed by DMG. The data from these surveys must be submitted to the DMGOs concerned & DMG.

**ii.** Leaseholders shall engage agencies empaneled by the AP Drone Corporation for conducting drone surveys

**iii.** If leaseholders fail to submit drone survey data within the stipulated timeline, the department shall undertake drone surveys independently and costs incurred for these surveys will be deducted from the leaseholders' security deposits.

**iv.** The data obtained from drone surveys will be utilized to assess the quantity of minerals excavated. Any discrepancies observed between reported and permitted quantities will lead to penalties being levied on leaseholders.

## 5.12 Grant of Leases for dumping

i. DMG may include additional contiguous or non-contiguous non-mineralized areas for dumping overburden/ waste upon payment of three times the ADR as a premium amount.

ii. A supplementary mining lease deed must be executed within 30 days of the grant and amalgamated with the existing Quarry Lease, with the lease term co-terminus with the current Quarry Lease.

iii. DMGO/Divisional MGO must ensure no mineral production in the additional area and obtain an undertaking from the leaseholder.

iv. Leaseholders must pay Dead Rent annually for the additional area at the rates applicable to the existing Quarry Lease.

## 5.13 Disposal of overburden/ waste within lease areas

i. Disposal of limestone slab waste within the lease area shall be allowed on payment of 50% of Seigniorage Fee fixed for limestone slabs.

ii. Disposal of Granite waste within the lease area shall be allowed on payment of Seigniorage Fee fixed for Road Metal.

iii. Assessment of dumps through drone / ETS/ DGPS surveys shall be undertaken by DMGO concerned using the funds of leaseholder for quantity assessment.

iv. Similar survey shall be conducted on quarterly basis till the exhaustion of dumps.

## 5.14 Auction of Dumps of Expired Leases on Govt Lands/ Patta Lands

i. Auction of dumps in expired leases, vacant government lands or private lands (with landowner consent) through competitive bidding.

ii. Pit Mouth Value shall be fixed scientifically by DMGOs concerned, based on sample reports and market assessment.

iii. Dump material shall be transported using e-permit system.

iv. Successful bidder may obtain necessary environmental, forest and pollution clearances, as applicable before commencing operations.

v. Private landowners shall have the right to match the highest bid, else rights go to the successful bidder.

vi. Unauthorized excavation or deviation from the permitted quantity shall be treated as illegal mining and attract penal action.

vii. Detailed operational guidelines and auction terms shall be issued separately.

## 5.15 Financial Assurance and Mine Closure related activities

i. Financial Assurance to be increased to Rs. 1,00,000 for leases up to 4 Ha or 25,000/ Ha or part thereof.

ii. In respect of all the exiting leases, where financial assurance has already been paid, the lessee shall pay the differential amount at the time of submission of the Mining Scheme, as per the applicable rates.

iii. DMG shall identify all the expired/ surrendered quarry leases where mine closure has not been properly implemented and shall take all necessary measures to ensure proper closure of such quarries within a period of one year.

## 5.16 Star Rating for Minor Minerals

i. DMG shall design and implement star rating system for minor minerals to encourage sustainable mining practices.

ii. The framework shall evaluate and recognize mining leaseholders based on their performance in Environmental Social and Governance (ESG) aspects.

iii. Mining operations shall be evaluated on a Five Star Rating system, based on the self-assessment.

## 5.17 Ease of Doing Business initiatives

i. Digitization of the compliances such as submission of returns, approval of mining plans, mine closure plans, filing of application for lease, renewal, transfer, surrender, name change, appeals and revisions.

ii. Simplification of the provisions related to transfer of leases.

iii. Automation of the renewals and transfers.

iv. One platform for all compliances and payments.

## 5.18 Inter Departmental Co-ordination Committee

i. Inter-departmental co-ordination Committee with the officials of Mines, Revenue, Environment, Forest, SEIAA, PCB shall be formed to facilitate the clearances. The committee shall meet at least once in two months and identify the facilitation measures to be taken for faster operationalization of the quarries/ mines.

ii. Set up state level and district level inter departmental task force to control illegal mining.

## 5.19 Technology Initiatives

i. The Mineral Vehicle Tracking system and Online Mineral E-permit system shall be upgraded with necessary modifications and integrated with other departmental systems to improve data quality, control leakage, enhance transparency, and provide real-time visibility of mining operations including transportation.

ii. Technological solutions such as Mine Surveillance System, GIS, Surveillance Cameras, Satellite imagery, GPS tracking and AI based smart enforcement mechanisms may be adopted to strengthen the monitoring and control of illegal mining activities.

iii. The Department of Mines & Geology is permitted to utilize the user charges and application fees for implementing the above technology initiatives. DMG may also levy additional

charges on leaseholders, if necessary, for the successful implementation and maintenance of these systems.

## 5.20 Miscellaneous

| S. No | Description | Features |
|---|---|---|
| 1 | Levy of Interest | 12% on any payment due to the State Government which is delayed beyond the due date thereof. |
| 2 | Transfer Fee | Exemption of payment of fee for transfer of leases to immediate family members (Son, Daughter, Father, Mother) |
| 3 | Dead Rent | Dead rent shall be adjusted annually with the Seigniorage Fee payments |
| 4 | Occupational Health and Safety Policy for Mining Sector | a. DMG shall formulate an Occupational Health and Safety Policy for Mining Sector and issue detailed guidelines. |
| 5 | Establishment of Drill Core Library, petrography, mineralogy and chemical laboratory for analysis of exploration data | a. Establishment of Drill Core Library to store the exploratory core samples.<br>b. Establishment of petrography, mineralogy and chemical laboratory for analysis of exploration data using the funds of NMET.<br>c. Leaseholders must submit mineral/ ore / rock samples and mineralogy test reports to the DMGO and Div. MGO by June 1st annually. Each district shall maintain a sample library for all leases. |

| S. No | Description | Features |
|---|---|---|
| 6 | DMF Portal | a. Development of Digital platform to manage and monitor activities related to DMF Trusts.<br>b. The portal shall centralize information, ensuring greater transparency, accountability, and efficient fund utilization. |
| 7 | M-Sand Policy | a. DMG to study the existing policy and identify the further facilitation or incentives required to promote the M-Sand industry within the state and issue a detailed policy for the same. |

## 6. Implementation of the policy

i. The State is committed to the effective and time-bound implementation of this policy.

ii. Detailed operational guidelines and amendments to AP Minor Mineral Concession Rules, 1966 and AP Minor Mineral Auction Rules, 2022 shall be issued separately for implementation of the reforms in full spirit.

iii. In the event of any ambiguity or dispute arising from the interpretation of this policy, the Government of Andhra Pradesh shall have the final and binding authority.

iv. Furthermore, this policy shall be subject to amendments as deemed necessary to align with evolving developments in the mineral sector.

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